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*California Debt and Investment Advisory
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Annual Financial Reporting – GASB 45

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Financial Statements

- GASB 45 impacts:
 - Government Wide Statements
 - Fund Statements
 - Proprietary Funds
 - Governmental Funds
 - Fiduciary Funds
 - Footnote Disclosures

Financial Statement Recognition

- Government Wide Statements
 - Are presented using the full accrual basis of accounting
- Proprietary and Fiduciary Fund Statements
 - Full accrual basis of accounting
- Governmental Fund Financial Statements
 - Modified Accrual basis of accounting

Financial Statement Recognition

- Government Wide and Proprietary Funds:
 - OPEB expense reported on a full accrual basis. A positive (negative) year-end balance in the net OPEB obligation should be recognized as the year-end liability (asset) in relation to the ARC.

Fund Reporting

- Proprietary, Fiduciary, Government-wide Financial Statements
 - ARC related contributions to the same plan from more than one fund should be allocated to the portion that applies to each fund
 - The net OPEB obligation and the related liability (asset) should be allocated between funds

Financial Statement Recognition

- Governmental Funds
 - The fund statements will recognize the amount contributed to the plan or expected to be liquidated with expendable available financial resources.
 - Any 'set-asides', designations, etc. would not count as 'qualified' contributions towards overall post employment benefit liabilities

Transition

- Apply the measurement and recognition requirements prospectively, restatement is not required
- Accordingly, the OPEB obligation should be set at zero as of the beginning of the transition year
- If the information is available, net OPEB obligation may be shown retroactively

Component Unit Reporting

- Paragraph 36 States
 - “All component units should implement the requirements of this Statement no later than the same year as their primary government”

Definitions

- Single employer plan
 - A plan that covers the current and former employees, including beneficiaries, of only one employer
- Agent multiple employer (agent plan)
 - An aggregation of single employer plans, with pooled administrative and investment functions. Separate accounts are maintained for each employer so that the employer's contributions provide benefits only for the employees of that employer.
 - Separate actuarial valuation is performed for each individual employers plan

Definitions

- Cost sharing multiple employer plan
 - A single plan with pooling (cost sharing) arrangements for the participating employers. All risks, rewards, and costs, including benefit costs, are shared and are not attributed individually to the employers.
 - A single actuarial valuation covers all plan members

Note Disclosures

- Paragraph 24
 - Plan description
 - Funding policy
- Paragraph 25 (sole and agent employers)
 - Annual OPEB cost and the dollar amount of contributions made
 - If a net OPEB obligation exists, disclose the components of annual OPEB cost (ARC, interest, adjustment)

Note Disclosures

- For the current year and the 2 preceding yrs:
 - annual OPEB cost
 - Percentage of annual OPEB cost contributed that year
 - Net OPEB obligation at the end of the year
- Information about the funded status of the plan as of the most recent valuation date
- Actuarial methods and assumptions

Note Disclosures

- Paragraph 26 (sole and agent)
 - Required Supplementary Information (RSI)
 - Actuarial valuation date
 - Actuarial value of assets
 - Actuarial accrued liability
 - Total unfunded actuarial liability
 - Actuarial value of assets as a % of covered payroll
 - Ratio of the unfunded actuarial liability to annual covered

Note Disclosures

Reporting Situation		Type of Plan						
		Single-Employer Plan		Agent Multiple-Employer Plan 2			Cost-Sharing Multiple-Employer Plan 3	
Employer Report Includes Other Employee Benefit Trust Fund or an Agency Fund	Plan Issues Stand-Alone Report	Employer	Other Employee Benefit Trust Fund	Employer	Other Employee Benefit Trust Fund	Agency Fund	Employer	Other Employee Benefit Trust Fund
YES	YES	Notes 24 and 25	Notes 30 (Reduced) RSI 31-37 (Reduced)	Notes 24 and 25 RSI 26	Notes 30 (Reduced)	Notes 41 (Reduced)	Notes 24	Notes 30 (Reduced)
YES	NO	Notes 24 and 25	Notes 30 (Full) RSI 31-37 (Full)	Notes 24 and 25 RSI 26	Notes 30 (Full) RSI 31-37 (Full)	Notes 41 (Full)	Notes 24	Notes 30 (Full) RSI 31-37 (Full)
NO	YES	Notes 24 and 25 RSI 26		Notes 24 and 25 RSI 26			Notes 24	
NO	NO	Notes 24 and 25 RSI 26		Notes 24 and 25 RSI 26			Notes 24 RSI 27	

Implementation Guide

Illustrations

- The *Guide to Implementation of GASB Statements 43 and 45 on Other Postemployment Benefits* provide 7 illustrations that cover many different disclosure examples